



COMDTINST 4330.1A
JUL 13 2000

COMMANDANT INSTRUCTION 4330.1A

Subj: PROCEDURES FOR THE USE OF THE VOLPE NATIONAL TRANSPORTATION
SYSTEMS CENTER

Ref: (a) Department of Transportation Order 2300.7 (Finance Activities at TSC)
(b) Principles of Federal Appropriation Law (GAO), Chapter 7.1.(1)
(c) USCG FINCEN Standard Operating Procedures, FINCENINST M7000.1

1. PURPOSE: This Instruction establishes a review, justification, and approval process to ensure that acquisition of VOLPE services are in the Coast Guard's best economic interest. It further establishes accounting and financial management procedures to provide for sound funds control and timely, accurate cost reporting for projects performed by VOLPE. Finally, it designates Headquarters and field staff elements responsible for administration and oversight of work performed at VOLPE.
2. ACTION: Area and district commanders, commanders of maintenance and logistics commands (MLCs), commanding officers of headquarter units, assistant commandants for directorates, Chief Counsel and special staff offices at Headquarters shall ensure compliance with the provisions of this instruction.
3. DIRECTIVE AFFECTED: Coast Guard Use of the Volpe National Transportation System Center, COMDTINST 4330.1 is cancelled.
4. BACKGROUND: The Volpe National Transportation Systems Center is an element of DOT's Research and Special Programs Administration (RSPA). The Center is located in Cambridge, Massachusetts and is authorized to perform research, development, test, evaluation, analysis, and related activities for components of the Department of Transportation. All funding for VOLPE comes from DOT components and other Government agencies sponsoring work to be done at or through the Center.

5. DISCUSSION:

- a. Delegations of Coast Guard work to VOLPE are made under binding agreements similar in format to a Military Interdepartmental Procurement Request (MIPR). The annual value of new Coast Guard work accepted by VOLPE averages over \$5 million. Much of the work is performed in support of major acquisition projects or other high visibility programs. Accordingly, it is appropriate that VOLPE projects be planned, managed and executed every bit as rigorously as commercial contracts.
- b. Since VOLPE's accounting system was developed independently from the Departmental Accounting and Financial Information System (DAFIS), no designed transfer of data exists. Due to this mis-alignment, Coast Guard sponsors do not always have adequate oversight of costs incurred. It is appropriate, therefore, that accounting procedures be implemented to ensure consistency between project costs reflected in the VOLPE Cost Accounting system and DAFIS.

6. DEFINITIONS:

- a. SPONSOR: The organization or individual requesting and funding work to be performed by VOLPE. At Headquarters, the sponsor is typically an Office or Division. In the field, the sponsor may be a unit Commanding Officer or District/MLC Division.
 - b. PROJECT MANAGER: Employee or employees of the sponsoring organization who establish technical requirements, accept/reject deliverables, monitor project costs and manage project funds.
 - c. GENERAL WORKING AGREEMENT (GWA): An annual umbrella document negotiated between Coast Guard and VOLPE. The document provides a listing of general areas under which VOLPE services will be sought and a maximum funding level, by appropriation, for all work to be performed on the Coast Guard's behalf during a particular fiscal year.
 - d. PLANNED PROJECT AGREEMENT (PPA): A document which provides a brief technical description of work to be performed, identifies the specific sponsor for that individual work, provides a cost estimate/funding source for each project and specifies any limitations on the funds to be transferred (e.g. as specified in appropriation language). A PPA is finite in scope and contains a description of specific deliverables and dates. The sum of the work specified under all PPA's for a given fiscal year is equivalent to the general description and maximum funding level specified in the GWA.
 - e. WORK PLAN BUDGET (WPB): A subordinate document to the PPA (included at the Coast Guard's option. The WPB describes VOLPE's plan for the use of resources in completing individual work tasks under the PPA.
7. POLICY: VOLPE offers the Coast Guard the ability to obtain goods and services without the lengthy procurement lead-time involved in commercial procurements. This convenience, however, may not be acquired without careful attention to principles of sound financial management. It is therefore Coast Guard policy that:

- a. Acquisition of services through VOLPE shall be obtained in accordance with the policies contained in references (a) through (c) and those procedures outlined in enclosure (1).
- b. VOLPE shall be used where there are clear economic, technical, and mission essential reasons for doing so. Economic justification shall be articulated and approved by Coast Guard prior to beginning work at VOLPE.
- c. VOLPE is not to be chosen solely because it offers a means to obligate funds in danger of expiration nor as a means to circumvent a Coast Guard acquisition review.
- d. Funds may only be obligated for a finite scope of work having specific deliverables with associated delivery dates.
- e. It is inappropriate to contract with VOLPE solely for the purpose of obtaining the services of a particular contractor. Unless requested by VOLPE to participate on a source selection board, it is similarly inappropriate for Coast Guard personnel to attempt to influence VOLPE's choice of outside contractors.
- f. Use of VOLPE to perform "Research and Development" functions must only be done with Research Develop Test & Evaluation funds and must have prior approval of the Research & Development Program Manager, Commandant (G-SIR).
- g. The Coast Guard will execute a single GWA with VOLPE which will be managed and approved by the Director of Finance and Procurement, Commandant (G-CFP). Headquarters offices and field commands may initiate a request for VOLPE work by sending all PPA's, originals and modifications, to Commandant (G-CFS) for review and approval. No new work or revised work may begin, deliverables be accepted, or funds transferred without an approved GWA and PPA.

W. H. CAMPBELL
Director of Finance and Procurement

- Encl: (1) VOLPE Policy and Procedures
(2) VOLPE Form F 5000.1, Sample General Working Agreement
(3) VOLPE Form F 5000.3, Sample Project Plan Agreement
(4) VOLPE Form F 5000.7, Sample PPA Modification
(5) VOLPE Form F 2350.3, Sample Work Plan Budget/Job Order

VOLPE POLICY AND PROCEDURES

1.0 Project Initiation

1.1 Statement of Work (SOW)

The sponsor shall prepare a detailed and clear Statement of Work that defines as narrowly as possible, the work VOLPE will be performing. Except where multiple year funds and a non-severable, multiple year project is envisioned, the period of performance for the scope of the work should be no more than 18 months in duration. The Statement of Work shall be prepared in accordance with the guidance contained in COMDTINST M4121.3 (Specification Development Manual). It will generally be equivalent to that required to execute a commercial contract and shall include specific listing of deliverables, objectives, milestones, a proposed schedule for completing project work, and shall make provision for progress reviews and reports. Project sponsors may discuss and exchange drafts of the Statement of Work with VOLPE personnel to ensure understanding and facilitate VOLPE planning.

1.2 Independent Coast Guard Cost Estimate

Under the legislation which allows the Coast Guard to direct work to VOLPE (31 USC 1535 - Economy Act), the Coast Guard must make a determination that it is in our best interest to use VOLPE or other interagency sources. Sponsors therefore, must demonstrate that costs to be incurred in using VOLPE are equivalent to those, that would be incurred commercially. To document this comparability, the project sponsor shall prepare an Independent Coast Guard estimate of expected project costs. In preparing the Coast Guard estimate, it is inappropriate to solicit data from, or to share the estimate with, VOLPE staff. In preparing the estimate, generally recognized techniques such as engineering analysis, market research or application of actual cost data from prior projects shall be used. Chapter 10 of the Customer Acquisition Handbook for Non-Major Systems published by Commandant (G-A) is a helpful guide for preparing these estimates. Completed Coast Guard estimates shall be signed and dated by the preparer. Subsequent amendments to Coast Guard estimates and the reason therefore should be documented.

1.3 Preparation of the Planned Project Agreement (PPA)

1.3.1 Completed Statements of Work will be sent to the respective technical office at VOLPE. If the scope of work, schedule, and work statement is acceptable to the VOLPE staff, VOLPE will prepare and attach form VOLPEF.5000.3 (Project Plan Agreement). The VOLPE cost estimate in terms of direct labor, contracts, equipment, services and overhead will be calculated and printed in block 10 of the PPA form. The PPA form will also include a five-digit PPA number assigned by VOLPE.

1.3.2 The sponsor will add Coast Guard accounting data to block 6 of the PPA form. PPA's may contain **one** line of accounting data only. Projects may not ordinarily be funded from multiple appropriations. Where the sponsor feels that an effort calls for the use of multiple appropriations (e.g. R&D funding for initial concept evaluation, OE or AC&I for subsequent implementation), the sponsor shall consult with Commandant (G-CFS) to ensure that improper mixing of appropriations are precluded. If such an effort is approved, a separate PPA should be prepared for the work phase to be funded by each appropriation. Any specific limitations on the use of the designated appropriation(s) must be explicitly provided in the PPA.

1.3.3 The sponsor will affix a DAFIS document number in block 10 of the PPA form. Document type 33 shall be used and digits 9 through 13 of the document number shall be the same as those in the PPA number. The sponsor's fund certifying officer and other appropriate officials in the sponsor's chain of command should review the PPA and initial in block 11.

1.4 Sponsor Review

1.4.1 If estimated VOLPE costs exceed the independent Coast Guard estimate, the sponsor shall either reconsider the decision to use VOLPE or attempt to reconcile the estimates. If, after review, VOLPE's cost proposal is considered a more accurate appraisal of the commercial market value of work, the reasons for the difference between the Coast Guard estimate and the VOLPE proposal shall be fully articulated and documented.

1.4.2 If the VOLPE estimated cost has contracts that exceed fifty percent (50%) of the total negotiated cost, it must be articulated in writing, what role VOLPE will perform in the PPA and what is their value added. This must be submitted with the PPA to Commandant (G-CFS).

1.4.3 All Statement of Work and cost/funding issues should be resolved before the final SOW and cost proposals are submitted to Commandant (G-CFS). When the schedule, project description and cost estimate are considered satisfactory to the sponsor, the PPA form shall be signed and forwarded to Commandant (G-CFS) together with the Coast Guard estimate.

1.5 Planning

Assignment of VOLPE staff, acquisition of contractor support and timely movement of funds normally requires that planning and preparatory work be completed as early before project start as possible. Sponsors shall forward all approved PPA's for work to begin 01 October of the current year to Commandant (G-CFS) no later than 1 August of the current year to ensure that they are included in the new fiscal year's VOLPE work program. Initiation of midyear PPA's may be authorized, but sponsors must understand that the RSPA/NTSC approval and acceptance process normally takes eight weeks. Sponsors must also understand that the later in the fiscal year work is proposed, the more likely it is that VOLPE will not be able to assign staff and will not accept the sponsor's project.

2.0 Headquarters Review and Processing

The Head of Agency or designee must make a determination that the use of any inter or intra agency agreement is in the best interest of the government prior to the commencement of any work. The Director of Finance and Procurement, Commandant (G-CFP), has been designated the review and approving official for all Coast Guard work performed through VOLPE. Staff tasking is assigned as follows:

2.1 Procurement Management Division (G-CPM):

2.1.1 Reviews candidate PPA's to ensure the use of VOLPE resources are based upon sound business judgment and that PPA's comply with competition requirements.

2.1.2 Reviews Coast Guard and VOLPE cost estimates and finds acceptable that given the information provided it is in the best interest of the Coast Guard.

2.2 Financial Systems Division (G-CFS):

2.2.1 Compiles all candidate PPA's draft General Working Agreement (GWA) for Commandant (G-CFP) signature.

2.2.2 Maintain GWA files, supporting documentation and modifications.

2.2.3 Return copies of approved PPA's and PPA modifications to project sponsors to transmit obligation via LUFSS.

2.3 Commandant (G-CFP)

Executes a single General Working Agreement (GWA) and any modifications on behalf of the Coast Guard.

3.0 PPA/GWA Modifications

3.1 All authorizations to adjust or modify PPA requirements must be in writing. PPA Modification Form (TSC 5000.7) shall be prepared for all required changes in project scope, increase/decreases in project funding, changes in deliverables or other modifications in PPA terms or conditions.

3.2 No-cost PPA modification or modifications where cost increases do not exceed the lesser of 5% of the original PPA value or \$5,000 may be approved by the project sponsor. Copies of such locally approved PPA modifications shall be provided to Commandant (G-CFS) and shall be transmitted to Coast Guard Finance Center (FINCEN). PPA modifications that exceed the local approval threshold shall be submitted to Commandant (G-CFP) for approval.

3.3 Commandant (G-CFS) shall prepare GWA modifications at least quarterly for all proposed PPA modifications and forward to Commandant (G-CFP) for approval.

4.0 Finance and Accounting

Obligations, expenditures and cash management.

4.1.1 FINCEN will record approved PPA's as obligations. Project sponsors shall transmit commitments and obligations, via LUFSS, in accordance with the instructions provided for document type 33's in the FINCEN Standard Operating Procedures (SOP). Expenditures shall be recorded in DAFIS when they appear on the VOLPE Financial State of Program Report.

4.1.2 Based on approved PPA's, VOLPE will withdraw cash advances via the Treasury Department's On Line Payment and Collection Systems (OPAC). Valid OPAC's will reference affected PPA's. Copies of OPA documents will be forwarded by VOLPE to the Coast Guard FINCEN. The appropriate OPAC (cash advance) shall be liquidated by FINCEN as expenditures are reflected on the VOLPE cost report.

4.2 Monitoring PPA Cost Accumulation:

4.2.1 Project sponsors are solely responsible for costs accumulated on VOLPE performed work. Expenditures for any PPA may not exceed the funding level authorized in the PPA.

4.2.2 Reports: VOLPE will prepare two standard reports to provide for sponsor oversight and to facilitate FINCEN processing. These include:

- Financial Status of Program Report (monthly): Includes summary cost.
- Direct Cost Summary Report (monthly): This detailed report will provide a breakdown of labor, overhead and general and administrative expenses for each PPA and Work Plan Budget (WPB), if requested by the project manager.

Project sponsors shall review standard reports, update local ledgers, reconcile with data presented on DAFIS Program Element Status (PES) Reports and submit error reports in accordance with procedures specified in the FINCEN SOP. Sponsors requiring additional reports shall contact Commandant (G-CFS) for assistance.

4.2.3 To allow time to process PPA modifications, sponsors should review project progress and rates of fund use when 75% of PPA funding has been expended.

4.2.4 Funds transferred into the VOLPE Working Capital Fund are considered obligated by the Coast Guard. Unless a time constraint is specifically imposed by appropriation funds advanced to VOLPE remain available to VOLPE for the purpose of completing work outlined in GWA's and PPA's without regard to fiscal year time limitations.

4.2.5 Coast Guard sponsors may request deobligation and return of funds quarterly by submitting a PPA modification form. Similarly, return all unused funds is appropriate when all work specified in the PPA is completed. Funds returned to the Coast Guard in such circumstances assume their original period of availability. Once returned, they are available for further obligation by the Coast Guard only if unexpired.

4.2.6 Repeated modifications to provide new funding increases in project scope and cost growth, substantially in excess of original estimates, are discouraged. Cost accumulation on such projects will be reviewed and PPAs recommended for cancellation if deemed appropriate by Commandant (G-CFP).

5.0 **Equipment, Data, Reports and Software**

5.1 The project sponsor shall obtain any waivers or approvals required before any equipment is purchased by VOLPE on behalf of the Coast Guard.

5.2 All equipment, data reports and software listed as deliverables in the PPA language shall be provided to the Coast Guard at project completion.

6.0 **Emergency Requirements**

It is recognized that there may be cases where requirements are so urgent that the process above precludes effective response to genuine emergencies, mission requirements, or legislative mandates which must be acted upon immediately. Waivers of the provision of this instruction will be considered by Commandant (G-CFP) on case-by-case basis. To obtain approval for a waiver, the sponsor shall provide a brief written justification to Commandant (G-CFP) stating the nature of the project's special circumstances and the requirements the project sponsor desires to have set aside. The justification must demonstrate that the sponsor needs a particular capability or service to act in the Coast Guard's best interest. The sponsor shall include a statement that VOLPE is willing to perform in support of the requirement and that the funds are available to support the action. Should the request be approved, Commandant (G-CFS) will prescribe any special fund control or accounting procedures necessary to support the work.

GWA Number: _____

13. SCOPE OF WORK. The work to be performed is set forth in broad terms in Attachment 1 hereto. The work will be defined in further detail and described by specific Project Plan Agreements (PPAs) which will contain detailed technical descriptions of the work to be performed, the intended end product (s), schedules, and detailed resources requirements.

14. FUNDING. During the fiscal year listed in Block 3 above the funding organization agrees to transfer to the Volpe Center an amount not to exceed the amount (s) listed in Block 9 above to finance the work described in paragraph 13. It is further agreed that should the funding organization be operating under a Continuing Resolution as of the beginning of the fiscal year, the obligations to be incurred under this agreement shall not exceed those authorized by the Continuing Resolution until such time as the necessary appropriation act is enacted.

15. TRANSFERS. The funds listed in Block 9 will be advanced to the Volpe Center in accordance with the schedule of Block 7, from the account (s) listed in Block 8 to the account "69X4522, Working Capital Fund, Volpe Center". The initial advance will be made as soon after October 1 as possible, with any subsequent advances being made at least 15 days before the beginning of the appropriate quarter. In accordance with Working Capital Fund regulations, funds cited will remain available to the Volpe Center for obligation without fiscal year limitation unless an earlier expiration date is entered in Block 10. The Volpe Center will initiate transfers of funds by means of SF 1081 forwarded to the funding organization in sufficient time so that transfer can be accomplished on schedule. The Volpe Center will forward the SF 1081 to the addressee shown in block 6. It should be returned to Chief, Accounting Branch, DTS-823, DOT/RSPA/ Volpe Center, Kendall Square, Cambridge, MA 02142-1093.

16. LIMITATIONS. It is agreed that no change in the scope of work or the dollar amounts identified in Block 9 shall be assumed, without a prior revision of this agreement reflecting such change. It is further agreed that the dollar amounts of Block 9 represent estimated cost, and that in the event of cost estimate changes the Volpe Center may adjust the dollar requirements of an individual PPA as follows (provided that the associated dollar amount of Block 9 is not exceeded, and provided further that the following limits apply to cumulative adjustments to a PPA):

- a. For a PPA whose total dollar requirement is \$200,000 or less adjust the total dollars not to exceed \$20,000.
- b. For a PPA whose total dollar requirement is over \$200,000 adjust the total dollars not to exceed 20% of the total or \$100,000, whichever is smaller.
- c. For a PPA whose total dollar requirement is \$50,000 or less adjust the internal PPA resource requirements, within the same total, not to exceed \$10,000.
- d. For a PPA whose total dollar requirement is over \$50,000 adjust the internal PPA resource requirements, within the same total, not to exceed 20% of the total or \$100,000 whichever is smaller.

17. ACCEPTANCE OF EFFECTIVE DATE. Acceptance of this agreement by each party will be indicated by the signature in Block 11 of authorized officials of each organization. When so signed, this agreement becomes effective as of the date set forth in Block 4.

18. PROPERTY. Property acquired in the course of performing work authorized and funded by this GWA will become part of the new assets of the Working Capital Fund unless otherwise specified on individual PPAs.

19. PRINTING. All printing funded by this GWA will be accomplished in conformance with Title 44, United States Code, regulations of the Joint Committee on Printing, applicable provisions of appropriation acts, and applicable regulations issued by Government Printing Office (GPO) and Department of Transportation (DOT).

VOLPE NATIONAL TRANSPORTATION SYSTEMS CENTER Project Plan Agreement

(Preparation Instructions Contained in Attachment #1 to Volpe Center Order 5000.3B)

1. GWA NO.	2. PPA NO.	REV NO.	AFFECTS PAGES	3. DATE
				<input type="checkbox"/> MULTI-YEAR
4. TITLE:		7. PPA MANAGER		
5. SPONSOR'S PROGRAM MANAGER		8. RELATED PPA(s)		
6.				
9. BRIEF TECHNICAL SUMMARY:				

10.a RESOURCE USE PLAN	FY _____	FY _____	FY _____	FY _____	TOTAL
DIRECT LABOR YEARS	_____	_____	_____	_____	0.0
DIRECT LABOR (\$K)	_____	_____	_____	_____	0.0
CONTRACTS	_____	_____	_____	_____	0.0
EQUIPMENT	_____	_____	_____	_____	0.0
IN-HOUSE SVS./OTHER	_____	_____	0.0	0.0	0.0
PROJECT OVERHEAD	0.0	0.0	0.0	0.0	0.0
ACQUISITION OH	0.0	0.0	0.0	0.0	0.0
TOTAL PLANNED COMMITMENTS (K\$)	0.0	0.0	0.0	0.0	0.0

10.b FUNDING BY YEAR RECEIVED (K\$)	
Prior Year Uncommitted Carryover	_____
FY _____	_____
TOTAL (K\$)	0.0

Notes:

1. Except for previously approved prior year carryover, all figures are for planning purposes until funded on a General Working Agreement (GWA).
2. Scope of effort is subject to availability of funds. All work is on a best effort basis.
3. Modification and revisions to this agreement may be made in accordance with the current version of Volpe Order 5000.3B.

10.c SPECIAL FUNDING CONDITIONS: (Optional)

	SPONSOR
11. APPROVALS: VOLPE CENTER	
NAME & TITLE	
DATE:	

DEPARTMENT OF TRANSPORTATION
 RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
 VOLPE NATIONAL TRANSPORTATION SYSTEMS CENTER

PPA MODIFICATION

THIS FORM IS TO BE ATTACHED TO, AND BECOMES A PART OF THE PPA.
 IT IS AUTOMATICALLY CANCELLED BY THE NEXT REVISION OF THIS PPA.
 THIS FORM FOR MODIFICATION OF PPA'S IS TO BE USED ONLY FOR MINOR CHANGES AS INDICATED
 IN THE INSTRUCTIONS. MORE SIGNIFICANT CHANGES REQUIRE A FULL REVISION OF THE PPA.

PPA NO.	REVISION	PPA DATE	MODIFICATION	DATE
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MODIFICATION TO BE MADE (PAGE, BLOCK, OR PARAGRAPH, CLEAR DESCRIPTION)

(CONTINUE ON ADDITIONAL SHEET IF NECESSARY)

BACKGROUND (REASON OR CONDITION NECESSITATING THIS MODIFICATION)

SPONSOR CONCURRENCE OBTAINED (NAME OF PERSON, DATE, REFERENCE TELEPHONE CALL OR MEMO)

APPROVAL:				RELEASED
INITIATOR	BRANCH CHIEF	DIVISION CHIEF	OPERATING DIRECTOR	CHIEF, BUDGET BRANCH

DISTRIBUTION

PPA MANAGER	OPERATING DIRECTOR	SPONSOR (4 COPIES)
DIVISION CHIEF	PPA BOOK	

VOLPE NATIONAL TRANSPORTATION SYSTEMS CENTER Work Plan Budget/Job Order

1. ORG CODE	2. JOB ORDER MANAGER	3. PROGRAM CODE	4. REVISION 0	5. DATE	6. JOB ORDER NUMBER
7. TITLE (30 Characters Maximum)					8. AMOUNT
9. RESOURCE REQUIREMENTS					
COMMITMENT PLAN - LABOR YEARS AND \$K TO ONE DECIMAL					
	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	YEAR TOTAL
LABOR YEARS					
01 - Salary and Benefits					
02 - Overhead					0.0
03 - Technical Contracts					
04 - Equipment					
06 - Documentation					
07 - Travel					
08 - Supplies					
09 - Trng & Personnel Svs					
12 - Facility Operations					
13 - Capital Maintenance					
14 - ADP					
15 - On-Site Tech Support Svs					
16 - Communications					
17 - Info Sys Engrg					
18 - Ops Rsch & Anlys					
22 - Other					
25 - G&A / Acq. OH					
TOTAL \$K .1					
10. MAJOR PROCUREMENT PLAN (Optional)			CONTRACT NO. (if amended or added on)	PROCUREMENT TYPE ALPHA/NO.	COMMITMENT DATE
ITEM DESCRIPTION (Continue on Separate Sheet if Necessary)					\$ K
A					
B					
C					
D					
REVIEW AND APPROVAL	INITIAL:				
	ORG:				
	DATE:				
12. JOB CLOSED	LABOR CLOSED	NON-LABOR CLOSED			

PROCUREMENT TYPE CODES

- | | | | |
|--------------------------|--------------------------|-----------|----------------------------------|
| A - Equip - ADP Type | K - Contract - BA Type | O - Other | 1 - Advertised |
| E - Equip - Non-ADP Type | M - Task Order - BA Type | | 2 - Negotiated Competitive |
| C - Contract | T - Task Order | | 3 - Negotiated - Non-Competitive |
| | | | 4 - Follow-On |
| | | | 5 - Incremental Funding |
| | | | 9 - Reimbursable Agreement |